

ARIZONA CORPORATION COMMISSION  
UTILITIES DIVISION

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APR 15 2004

**ARIZONA CORPORATION COMMISSION**

**DIRECTOR OF UTILITIES**

ANNUAL REPORT MAILING LABEL – MAKE CHANGES AS NECESSARY

W-02479A  
Lord Arizona Water Systems Inc.  
2961 E. Cooley  
Show Low AZ 85901

**ANNUAL REPORT**

**FOR YEAR ENDING**

12	31	2003
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FOR COMMISSION USE

Ann04	03
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## COMPANY INFORMATION

Company Name (Business Name) Lord Arizona Water Systems Inc

Mailing Address 2961 E. Cooley  
(Street)  
Show Low Az 85901  
(City) (State) (Zip)

928 537 1557  
Telephone No. (Include Area Code) Fax No. (Include Area Code) Pager/Cell No. (Include Area Code)

Email Address \_\_\_\_\_

Local Office Mailing Address \_\_\_\_\_  
(Street)  
\_\_\_\_\_  
(City) (State) (Zip)

Local Office Telephone No. (Include Area Code) Fax No. (Include Area Code) Pager/Cell No. (Include Area Code)

Email Address \_\_\_\_\_

## MANAGEMENT INFORMATION

Management Contact: Thomas V. Lord Pres  
(Name) (Title)

2961 E. Cooley Show Low Az 85901  
(Street) (City) (State) (Zip)

928 537 1557  
Telephone No. (Include Area Code) Fax No. (Include Area Code) Pager/Cell No. (Include Area Code)

Email Address \_\_\_\_\_

On Site Manager: SAME AS ABOVE  
(Name)

\_\_\_\_\_  
(Street) (City) (State) (Zip)

Telephone No. (Include Area Code) Fax No. (Include Area Code) Pager/Cell No. (Include Area Code)

Email Address \_\_\_\_\_

☐ Please mark this box if the above address(es) have changed or are updated since the last filing.

Statutory Agent: Thomas V. Lord  
 (Name)

2961 E Cooley Show Low AZ 85901  
 (Street) (City) (State) (Zip)

(928) 537-1557  
 Telephone No. (Include Area Code) Fax No. (Include Area Code) Pager/Cell No. (Include Area Code)

Attorney: \_\_\_\_\_  
 (Name)

\_\_\_\_\_  
 (Street) (City) (State) (Zip)

\_\_\_\_\_  
 Telephone No. (Include Area Code) Fax No. (Include Area Code) Pager/Cell No. (Include Area Code)

☐ Please mark this box if the above address(es) have changed or are updated since the last filing.

### OWNERSHIP INFORMATION

Check the following box that applies to your company:

- |   |  |
|---|--|
| <input type="checkbox"/> Sole Proprietor (S)    | <input checked="" type="checkbox"/> C Corporation (C) (Other than Association/Co-op) |
| <input type="checkbox"/> Partnership (P)        | <input type="checkbox"/> Subchapter S Corporation (Z)                                |
| <input type="checkbox"/> Bankruptcy (B)         | <input type="checkbox"/> Association/Co op (A)                                       |
| <input type="checkbox"/> Receivership (R)       | <input type="checkbox"/> Limited Liability Company                                   |
| <input type="checkbox"/> Other (Describe) _____ |  |

### COUNTIES SERVED

Check the box below for the county/ies in which you are certificated to provide service:

- |  |                                   |                                   |
|--|-----------------------------------|-----------------------------------|
| <input checked="" type="checkbox"/> APACHE | <input type="checkbox"/> COCHISE  | <input type="checkbox"/> COCONINO |
| <input type="checkbox"/> GILA              | <input type="checkbox"/> GRAHAM   | <input type="checkbox"/> GREENLEE |
| <input type="checkbox"/> LA PAZ            | <input type="checkbox"/> MARICOPA | <input type="checkbox"/> MOHAVE   |
| <input type="checkbox"/> NAVAJO            | <input type="checkbox"/> PIMA     | <input type="checkbox"/> PINAL    |
| <input type="checkbox"/> SANTA CRUZ        | <input type="checkbox"/> YAVAPAI  | <input type="checkbox"/> YUMA     |
| <input type="checkbox"/> STATEWIDE         |                                   |                                   |

COMPANY NAME

Lord Ar. Water

UTILITY PLANT IN SERVICE

Acct. No.	DESCRIPTION	Original Cost (OC)	Accumulated Depreciation (AD)	O.C.L.D. (OC less AD)
301	Organization			
302	Franchises			
303	Land and Land Rights	24,300	<del>0</del>	24,300
304	Structures and Improvements	14,500	6,525	7,975
307	Wells and Springs	59,241	26,658	32,583
311	Pumping Equipment	52,976	17,379	35,597
320	Water Treatment Equipment			
330	Distribution Reservoirs and Standpipes	75,583	37,003	38,580
331	Transmission and Distribution Mains	572,952	299,391	273,561
333	Services			
334	Meters and Meter Installations	750	342	408
335	Hydrants			
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment			
340	Office Furniture and Equipment	520	520	<del>0</del>
341	Transportation Equipment			
343	Tools, Shop and Garage Equipment	1,695	1068	627
344	Laboratory Equipment			
345	Power Operated Equipment			
346	Communication Equipment			
347	Miscellaneous Equipment			
348	Other Tangible Plant			
	<b>TOTALS</b>	<b>802,517</b>	<b>388,886</b>	<b>413,631</b>

This amount goes on the Balance Sheet Acct. No. 108

COMPANY NAME

LORD ARIZONA

**CALCULATION OF DEPRECIATION EXPENSE FOR CURRENT YEAR**

Acct. No.	DESCRIPTION	Original Cost (1)	Depreciation Percentage (2)	Depreciation Expense (1x2)
301	Organization			
302	Franchises			
303	Land and Land Rights	24,300	N/A	<del>0</del>
304	Structures and Improvements	14,500	5%	725
307	Wells and Springs	59,241		2,962
311	Pumping Equipment	52,976		2,649
320	Water Treatment Equipment			
330	Distribution Reservoirs and Standpipes	75,583		3,779
331	Transmission and Distribution Mains	572,952		29,051
333	Services			
334	Meters and Meter Installations	750		38
335	Hydrants			
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment			
340	Office Furniture and Equipment	520		12
341	Transportation Equipment			
343	Tools, Shop and Garage Equipment	1,695		85
344	Laboratory Equipment			
345	Power Operated Equipment			
346	Communication Equipment			
347	Miscellaneous Equipment			
348	Other Tangible Plant			
	<b>TOTALS</b>	<b>802,517</b>		<b>39,301</b>

This amount goes on Comparative Statement of Income and Expense  
Acct. No. 403.

COMPANY NAME

LORD ARIZONA

**BALANCE SHEET**

Acct. No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	<b>ASSETS</b>		
	<b>CURRENT AND ACCRUED ASSETS</b>		
131	Cash	\$ 472	\$ 46
134	Working Funds		
135	Temporary Cash Investments		
141	Customer Accounts Receivable		
146	Notes/Receivables from Associated Companies		
151	Plant Material and Supplies		
162	Prepayments		
174	Miscellaneous Current and Accrued Assets		
	<b>TOTAL CURRENT AND ACCRUED ASSETS</b>	\$ 472	\$ 46
	<b>FIXED ASSETS</b>		
101	Utility Plant in Service	\$ 802,517	\$ 802,517
103	Property Held for Future Use		
105	Construction Work in Progress		
108	Accumulated Depreciation – Utility Plant	349,585	388,886
121	Non-Utility Property		
122	Accumulated Depreciation – Non Utility		
	<b>TOTAL FIXED ASSETS</b>	\$ 452,932	\$ 413,631
	<b>TOTAL ASSETS</b>	\$ 453,404	\$ 413,677

**NOTE:** The Assets on this page should be equal to **Total Liabilities and Capital** on the following page.

COMPANY NAME

Lord Arizona

BALANCE SHEET (CONTINUED)

Acct. No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	<b>LIABILITIES</b>		
	<b>CURRENT LIABILITES</b>		
231	Accounts Payable	\$ 271,185	\$ 271,185
232	Notes Payable (Current Portion)		
234	Notes/Accounts Payable to Associated Companies		
235	Customer Deposits	2,450	2,450
236	Accrued Taxes		
237	Accrued Interest		
241	Miscellaneous Current and Accrued Liabilities	20,686	20,689
	<b>TOTAL CURRENT LIABILITIES</b>	\$ 294,321	\$ 294,324
	<b>LONG-TERM DEBT (Over 12 Months)</b>		
224	Long-Term Notes and Bonds	\$	\$
	<b>DEFERRED CREDITS</b>		
251	Unamortized Premium on Debt	\$	\$
252	Advances in Aid of Construction		
255	Accumulated Deferred Investment Tax Credits		
271	Contributions in Aid of Construction		
272	Less: Amortization of Contributions		
281	Accumulated Deferred Income Tax		
	<b>TOTAL DEFERRED CREDITS</b>	\$	\$
	<b>TOTAL LIABILITIES</b>	\$ 294,321	\$ 294,324
	<b>CAPITAL ACCOUNTS</b>		
201	Common Stock Issued	\$ 6100	\$ 6,100
211	Paid in Capital in Excess of Par Value <i>Preferred</i>	425,299	425,299
215	Retained Earnings	<272,316>	<312,046>
218	Proprietary Capital (Sole Props and Partnerships)		
	<b>TOTAL CAPITAL</b>	\$ 159,083	\$ 119,353
	<b>TOTAL LIABILITIES AND CAPITAL</b>	\$ 453,404	\$ 413,677

COMPANY NAME Lord ARIZONA**COMPARATIVE STATEMENT OF INCOME AND EXPENSE**

Acct. No.	OPERATING REVENUES	PRIOR YEAR	CURRENT YEAR
461	Metered Water Revenue	\$ 90,988	\$ 100,016
460	Unmetered Water Revenue		
474	Other Water Revenues	8,121	1,060
	<b>TOTAL REVENUES</b>	\$ 99,109	\$ 101,076
	<b>OPERATING EXPENSES</b>		
601	Salaries and Wages	\$ 41,668	\$ 48,017
610	Purchased Water	7,481	3,700
615	Purchased Power	6,163	9,884
618	Chemicals		
620	Repairs and Maintenance	11,418	14,492
621	Office Supplies and Expense	4,122	9,498
630	Outside Services	7,214	1,373
635	Water Testing	7,622	5,053
641	Rents		
650	Transportation Expenses	155	0
657	Insurance - General Liability	1,316	1,389
659	Insurance - Health and Life		
666	Regulatory Commission Expense - Rate Case		
675	Miscellaneous Expense	630	680
403	Depreciation Expense	39,315	39,301
408	Taxes Other Than Income <b>SALES</b>	51	4,615
408.11	Property Taxes	9,145	2,804
409	Income Tax	45	0
	<b>TOTAL OPERATING EXPENSES</b>	\$ 136,345	\$ 140,806
	<b>OPERATING INCOME/(LOSS)</b>	\$ <37,236>	\$ <39,730>
	<b>OTHER INCOME/(EXPENSE)</b>		
419	Interest and Dividend Income	\$	\$
421	Non-Utility Income		
426	Miscellaneous Non-Utility Expenses		
427	Interest Expense		
	<b>TOTAL OTHER INCOME/(EXPENSE)</b>	\$ 0	\$ 0
	<b>NET INCOME/(LOSS)</b>	\$ <37,236>	\$ <39,730>



COMPANY NAME

Lord Arizona

SUPPLEMENTAL FINANCIAL DATA

## Long-Term Debt

	LOAN #1	LOAN #2	LOAN #3	LOAN #4
Date Issued				
Source of Loan				
ACC Decision No.				
Reason for Loan				
Dollar Amount Issued	\$	\$ N/A	\$	\$
Amount Outstanding	\$	\$	\$	\$
Date of Maturity				
Interest Rate				
Current Year Interest	\$	\$	\$	\$
Current Year Principle	\$	\$	\$	\$

Meter Deposit Balance at Test Year End

\$ 2,700

Meter Deposits Refunded During the Test Year

\$ 61,50

COMPANY NAME

LORD ARIZONA

WATER COMPANY PLANT DESCRIPTIONWELLS

ADWR ID Number*	Pump Horsepower	Pump Yield (Gpm)	Casing Depth (Feet)	Casing Diameter (Inches)	Meter Size (inches)	Year Drilled
55-504124	5	25	825	5		
55-504318	5	13	1000	5		
55-505642	15	35	1065	8		

- Arizona Department of Water Resources Identification Number

OTHER WATER SOURCES

Name or Description	Capacity (gpm)	Gallons Purchased or Obtained (in thousands)
CEAR GROVE		743

BOOSTER PUMPS		FIRE HYDRANTS	
Horsepower	Quantity	Quantity Standard	Quantity Other
15	2	2	
2	1		
5	2		

STORAGE TANKS		PRESSURE TANKS	
Capacity	Quantity	Capacity	Quantity
20,000	1	2000	2
10,000	1	119	1
15,000	2		

COMPANY NAME

LEED ARIZONA

WATER COMPANY PLANT DESCRIPTION (CONTINUED)

## MAINS

Size (in inches)	Material	Length (in feet)
2	PVC	
3		
4		
5		
6		
8		
10		
12		

## CUSTOMER METERS

Size (in inches)	Quantity
5/8 X 3/4	
3/4	
1	
1 1/2	
2	
Comp. 3	
Turbo 3	
Comp. 4	
Tubo 4	
Comp. 6	
Tubo 6	

For the following three items, list the utility owned assets in each category.

## TREATMENT EQUIPMENT:

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## STRUCTURES:

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## OTHER:

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COMPANY NAME: Lord Arizona

WATER USE DATA SHEET BY MONTH FOR CALENDAR YEAR 2003

MONTH	NUMBER OF CUSTOMERS	GALLONS SOLD	GALLON PUMPED (Thousands)
JANUARY	261	682493	
FEBRUARY	261	681893	
MARCH	260	720913	
APRIL	258	2141470	
MAY	257	3308785	
JUNE	261	3120436	
JULY	262	1549230	
AUGUST	265	993406	
SEPTEMBER	266	1393709	
OCTOBER	271	1215167	
NOVEMBER	274	900742	
DECEMBER	274	1763642	
TOTAL		N/A	

Is the Water Utility located in an ADWR Active Management Area (AMA)?

( ) Yes (X) No

Does the Company have An ADWR Gallons Per Capita Per Day (GPCPD) requirement?

( ) Yes (X) No

If yes, provide the GPCPD amount: \_\_\_\_\_

What is the level of arsenic for each well on your system.

(If more than one well, please list each separately)

$< .003$  mg/l  
( $< .003$ ) ( $< .003$ )

Note: If you are filing for more than one system, please provide separate data sheets for each system.

COMPANY NAME LORD ARIZONA WATER YEAR ENDING 12/31/2003

PROPERTY TAXES

Amount of actual property taxes paid during Calendar Year 2003 was: \$ 2803.52

Attach to this annual report proof (e.g. property tax bills stamped "paid in full" or copies of cancelled checks for property tax payments) of any and all property taxes paid during the calendar year.

If no property taxes paid, explain why. \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

COMPANY NAME Lord ARIZONA Water YEAR ENDING 12/31/2003

INCOME TAXES

For this reporting period, provide the following:

Federal Taxable Income Reported \_\_\_\_\_  
Estimated or Actual Federal Tax Liability \_\_\_\_\_

State Taxable Income Reported \_\_\_\_\_  
Estimated or Actual State Tax Liability \_\_\_\_\_

Amount of Grossed-Up Contributions/Advances: \_\_\_\_\_

Amount of Contributions/Advances \_\_\_\_\_  
Amount of Gross-Up Tax Collected \_\_\_\_\_  
Total Grossed-Up Contributions/Advances \_\_\_\_\_

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**AZ CORPORATION COMMISSION  
DIRECTOR OF UTILITIES**

Decision No. 55774 states, in part, that the utility will refund any excess gross-up funds collected at the close of the tax year when tax returns are completed. Pursuant to this Decision, if gross-up tax refunds are due to any Payer or if any gross-up tax refunds have already been made, attach the following information by Payer: name and amount of contribution/advance, the amount of gross-up tax collected, the amount of refund due to each Payer, and the date the Utility expects to make or has made the refund to the Payer.

**CERTIFICATION**

The undersigned hereby certifies that the Utility has refunded to Payers all gross-up tax refunds reported in the prior year's annual report. This certification is to be signed by the President or Chief Executive Officer, if a corporation; the managing general partner, if a partnership; the managing member, if a limited liability company or the sole proprietor, if a sole proprietorship.

x Thomas V. Lord  
SIGNATURE

x 4-14-04  
DATE

x THOMAS V. LORD  
PRINTED NAME

x President  
TITLE

VERIFICATION  
AND  
SWORN STATEMENT  
Intrastate Revenues Only

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APR 15 2004

AZ CORPORATION COMMISSION  
DIRECTOR OF UTILITIES

VERIFICATION

STATE OF \_\_\_\_\_

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME)
Apache
NAME (OWNER OR OFFICIAL) TITLE
Thomas V. Lord President
COMPANY NAME
LORD ARIZONA Water Systems

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2003

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

IN ACCORDANCE WITH THE REQUIREMENT OF TITLE 40, ARTICLE 8, SECTION 40-401, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS DURING CALENDAR YEAR 2003 WAS:

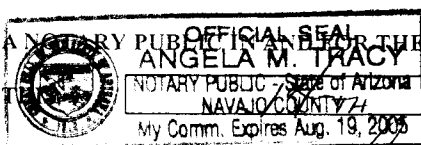
Arizona IntraState Gross Operating Revenues Only (\$)

\$100,016

(THE AMOUNT IN BOX ABOVE  
INCLUDES \$ 4615  
IN SALES TAXES BILLED, OR COLLECTED

\*\*REVENUE REPORTED ON THIS PAGE MUST INCLUDE SALES TAXES BILLED OR COLLECTED. IF FOR ANY OTHER REASON, THE REVENUE REPORTED ABOVE DOES NOT AGREE WITH TOTAL OPERATING REVENUES ELSEWHERE REPORTED, ATTACH THOSE STATEMENTS THAT RECONCILE THE DIFFERENCE. (EXPLAIN IN DETAIL)

SUBSCRIBED AND SWORN TO BEFORE ME



(SEAL)

MY COMMISSION EXPIRES Aug 19, 2005

Thomas V. Lord  
SIGNATURE OF OWNER OR OFFICIAL  
928 537 1557  
TELEPHONE NUMBER

COUNTY NAME
NAVAJO
MONTH
2004
SIGNATURE OF NOTARY PUBLIC
Angela M. Tracy

VERIFICATION  
AND  
SWORN STATEMENT  
**RESIDENTIAL REVENUE**  
INTRASTATE REVENUES ONLY

**RECEIVED**

APR 15 2004

VERIFICATION

**ARIZONA CORPORATION COMMISSION**  
**DIRECTOR OF UTILITIES**

STATE OF ARIZONA

I, THE UNDERSIGNED

OF THE

(COUNTY NAME) <u>Apache</u>	
NAME (OWNER OR OFFICIAL) <u>Thomas V. Lord</u>	TITLE <u>President</u>
COMPANY NAME <u>Lord ARIZONA Water Systems</u>	

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
<u>12</u>	<u>31</u>	<u>2003</u>

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

**SWORN STATEMENT**

IN ACCORDANCE WITH THE REQUIREMENTS OF TITLE 40, ARTICLE 8, SECTION 40-401.01, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS RECEIVED FROM RESIDENTIAL CUSTOMERS DURING CALENDAR YEAR 2003 WAS:

ARIZONA INTRASTATE GROSS OPERATING REVENUES

\$100,016

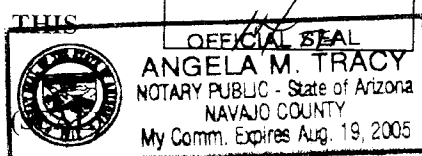
(THE AMOUNT IN BOX AT LEFT  
INCLUDES \$ 4615.15  
IN SALES TAXES BILLED, OR COLLECTED

\*RESIDENTIAL REVENUE REPORTED ON THIS PAGE  
MUST INCLUDE SALES TAXES BILLED.

Thomas V. Lord  
SIGNATURE OF OWNER OR OFFICIAL

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF



MY COMMISSION EXPIRES 8/19/05

NOTARY PUBLIC NAME <u>ANGELA M. TRACY</u>	
COUNTY NAME <u>NAVAJO</u>	
MONTH <u>APRIL</u>	YEAR <u>2004</u>

Angela M. Tracy  
SIGNATURE OF NOTARY PUBLIC